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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

ADAM E. LEVIN,

Defendant.

Case No. 2:23-cv-08081CAS (MRWx)

FINAL JUDGMENT

The Securities and Exchange Commission having filed a Complaint and Defendant Adam E. Levin (“Defendant” or “Levin”) having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided in paragraph VI.); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

L.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

(a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;

- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or
- (c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)], Defendant is prohibited, for three (3) years following the date of entry of this Final Judgment, from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

1 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
2 Defendant is liable for a civil penalty in the amount of \$111,614 pursuant to Section
3 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange
4 Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy this obligation pursuant to the
5 terms of the payment schedule set forth in paragraph V below after entry of this Final
6 Judgment.

7 Defendant may transmit payment electronically to the Commission, which will
8 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also
9 be made directly from a bank account via Pay.gov through the SEC website at
10 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified
11 check, bank cashier's check, or United States postal money order payable to the
12 Securities and Exchange Commission, which shall be delivered or mailed to

13
14 Enterprise Services Center
15 Accounts Receivable Branch
16 6500 South MacArthur Boulevard
Oklahoma City, OK 73169

17 and shall be accompanied by a letter identifying the case title, civil action number,
18 and name of this Court; identifying Levin as a defendant in this action; and specifying
19 that payment is made pursuant to this Final Judgment.

20 Defendant shall simultaneously transmit photocopies of evidence of payment
21 and case identifying information to the Commission's counsel in this action. By
22 making this payment, Defendant relinquishes all legal and equitable right, title, and
23 interest in such funds and no part of the funds shall be returned to Defendant.

24 The Commission may enforce the Court's judgment for penalties by the use of
25 all collection procedures authorized by law, including the Federal Debt Collection
26 Procedures Act, 28 U.S.C. § 3001 *et seq.*, and moving for civil contempt for the
27 violation of any Court orders issued in this action. Defendant shall pay post judgment
28 interest on any amounts due after 30 days of the entry of this Final Judgment pursuant

1 to 28 U.S.C. § 1961. The Commission shall hold the funds, together with any interest
2 and income earned thereon (collectively, the “Fund”), pending further order of the
3 Court.

4 The Commission may propose a plan to distribute the Fund subject to the
5 Court’s approval. Such a plan may provide that the Fund shall be distributed
6 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of
7 2002. The Court shall retain jurisdiction over the administration of any distribution of
8 the Fund and the Fund may only be disbursed pursuant to an Order of the Court.

9 Regardless of whether any such Fair Fund distribution is made, amounts
10 ordered to be paid as civil penalties pursuant to this Judgment shall be treated as
11 penalties paid to the government for all purposes, including all tax purposes. To
12 preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or
13 reduction of any award of compensatory damages in any Related Investor Action
14 based on Defendant’s payment of disgorgement in this action, argue that he is entitled
15 to, nor shall he further benefit by, offset or reduction of such compensatory damages
16 award by the amount of any part of Defendant’s payment of a civil penalty in this
17 action (“Penalty Offset”). If the court in any Related Investor Action grants such a
18 Penalty Offset, Defendant shall, within 30 days after entry of a final order granting
19 the Penalty Offset, notify the Commission’s counsel in this action and pay the amount
20 of the Penalty Offset to the United States Treasury or to a Fair Fund, as the
21 Commission directs. Such a payment shall not be deemed an additional civil penalty
22 and shall not be deemed to change the amount of the civil penalty imposed in this
23 Judgment. For purposes of this paragraph, a “Related Investor Action” means a
24 private damages action brought against Defendant by or on behalf of one or more
25 investors based on substantially the same facts as alleged in the Complaint in this
26 action.

V.

2 Defendant shall pay the total penalty due of \$ 111,614 in four (4) installments
3 to the Commission according to the following schedule: (1) \$27,903.50 within ten
4 days of entry of this Final Judgment; (2) \$27,903.50 within 120 days of the entry of
5 this Final Judgment; (3) \$27,903.50 within 240 days of the entry of this Final
6 Judgment; and (4) \$27,903.50 within 365 days of the entry of this Final Judgment.
7 Payments shall be deemed made on the date they are received by the Commission and
8 shall be applied first to post judgment interest, which accrues pursuant to 28 U.S.C. §
9 1961 on any unpaid amounts due after 30 days of the entry of Final Judgment. Prior
10 to making the final payment set forth herein, Levin shall contact the staff of the
11 Commission for the amount due for the final payment.

12 If Defendant fails to make any payment by the date agreed and/or in the
13 amount agreed according to the schedule set forth above, all outstanding payments
14 under this Final Judgment, including post-judgment interest, minus any payments
15 made, shall become due and payable immediately at the discretion of the staff of the
16 Commission without further application to the Court.

VI.

18 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for
19 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,
20 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant,
21 and further, any debt for disgorgement, prejudgment interest, civil penalty or other
22 amounts due by Defendant under this Final Judgment or any other judgment, order,
23 consent order, decree or settlement agreement entered in connection with this
24 proceeding, is a debt for the violation by Levin of the federal securities laws or any
25 regulation or order issued under such laws, as set forth in Section 523(a)(19) of the
26 Bankruptcy Code, 11 U.S.C. §523(a)(19).

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated: January 4, 2024

Christine A. Snyder
UNITED STATES DISTRICT JUDGE